

Eric Kobren's

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FIDELITY INSIGHT

THE INDEPENDENT REPORT ON FIDELITY FUNDS

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ERIC'S OUTLOOK

Keep Your Head While Others Are Losing Theirs

This January will go down as one of the worst on record for stocks. Growth or value, large or small, U.S. or foreign, nearly all stock funds started 2008 deep in the red.



Eric M. Kobren

Both the breadth and magnitude of the losses spooked investors.

When in the midst of the plunge, the Federal Reserve cut interest rates 75 basis points at an emergency meeting, investors' fears were only heightened: "Things must really be bad." The smell of panic was definitely in the air.

This is exactly the time when you need to keep your head (and your investments) and not succumb to the emotions that drive the "crowd!"

While last month was unsettling, a weak January does not necessarily mean the rest of the year will be similarly weak. In fact, as the chart shows, the five worst Januaries since 1928 have been followed by *positive* returns over the next 11 months. Time will tell about this year.

That does *not* mean that everything is rosy right now, far from it. We face many real concerns; tight credit conditions, large consumer debt burdens, a housing market still searching for a bottom, and the potential of further significant losses from the alphabet soup of subprime credit-derivatives. We may have to be prepared for a long, cold winter. But remember that the market is always looking ahead, and things may look better come summer.

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AS JANUARY GOES ...?

Worst Januaries for the S&P 500 versus market performance over next 11 months

Year	January Return	Next 11 Months
1978	-7.6%	+7.7%
1939	-7.1%	+1.3%
1990	-6.7%	+3.9%
1960	-6.4%	+4.5%
1970	-6.2%	+8.4%
2008	-6.0%	?

January's 6.0% plunge has unnerved many investors, but a bad January does not necessarily indicate poor returns for the rest of the year. In fact, as the above chart shows, the five worst January's for the S&P 500 (since 1928) have been followed by gains over the rest of the year.

Remember Why You Are Investing

Most important, remember why you are investing. It's not for today or tomorrow, this year or even next (or you shouldn't be in stocks), but for several years in the future.

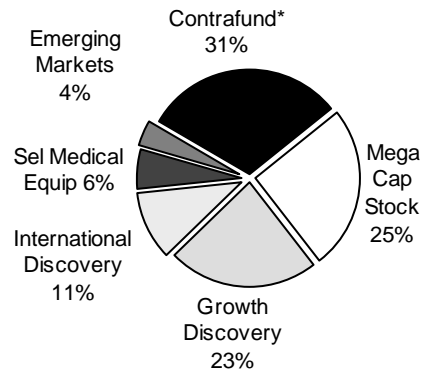
Over the past 22+ years of publishing monthly *Insight* reports, and 32 years in the investment field, I've learned a lot about the markets and how to spot superior investment managers. I also learned how to engineer investment portfolios to manage risk and generate decent returns without taking silly risks. But, the most fascinating thing I've learned is that human behavior is our worst enemy.

When Macy's runs a sale and marks down merchandise 25%, everyone flecks to the store to buy. Heck, the greatest sin in my family is to buy "retail." But when it comes to investing, we behave exactly the opposite. The lower stock prices go, the more we want to sell. The higher prices go, the more we want to buy. It's weird, but that is why study after study shows that, as a group, investors continually underperform the market averages.

With that knowledge, some market pundits make the claim that Index funds are the way to go. But they are missing the point. It is not a matter of active versus pas-

FIDELITY INSIGHT MODEL PORTFOLIOS - JANUARY 31, 2008

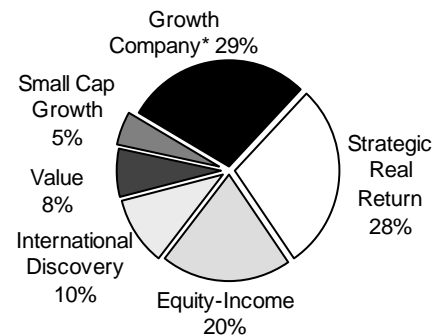
Aggressive Growth Model		Rel Vol: 0.97	Est. Yield: 0.4%	YTD Return: -9.4%		
Current Asset Allocation		Stocks 93.5%	Bonds 0.0%	Cash 6.5%	Alternative ¹ 0.0%	Foreign 29.1%
Holdings	Ticker	Alloc	NAV	Shares	Value	Jan. Ret
Contrafund*	FCNTX	31%	\$66.16	828.96	\$54,844	-9.5%
Mega Cap Stock	FGRTX	25	10.94	4,015.74	43,932	-6.3
Growth Discovery	FDSVX	23	14.72	2,734.31	40,249	-9.5
International Discovery	FIGRX	11	38.80	480.53	18,645	-9.9
Select Medical Equip	FSMEX	6	24.42	466.43	11,390	-1.8
Emerging Markets	FEMKX	4	29.58	225.27	6,664	-12.6
Current Value (4/7/99 = \$100,000)					\$175,724	-9.4%



*Closed; new members use **Blue Chip Growth** (FBGRX).

For aggressive members who have no need for income or principal for more than 10 years. Target volatility range: 0.50-1.50.

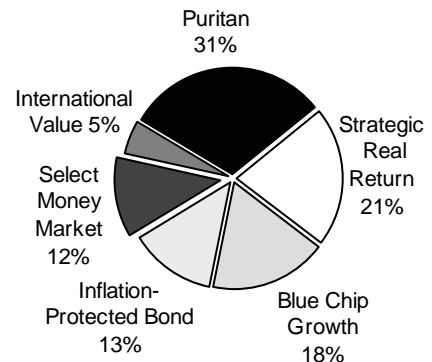
Growth Model		Rel Vol: 0.77	Est. Yield: 1.7%	YTD Return: -5.5%		
Current Asset Allocation		Stocks 70.4%	Bonds 8.3%	Cash 3.2%	Alternative ¹ 18.1%	Foreign 18.3%
Holdings	Ticker	Alloc	NAV	Shares	Value	Jan. Ret
Growth Company*	FDGRX	29%	\$75.28	4,419.37	\$332,690	-9.3%
Strategic Real Return	FSRRX	28	10.12	31,312.95	316,887	1.3
Equity-Income	FEQIX	20	52.25	4,337.47	226,633	-5.3
International Discovery	FIGRX	10	38.80	3,030.42	117,580	-9.9
Value	FDVLX	8	70.84	1,210.34	85,741	-5.6
Small Cap Growth	FCPGX	5	14.43	4,106.98	59,264	-8.6
Current Value (1/1/87 = \$100,000)					\$1,138,795	-5.5%



*Closed; new members use **Blue Chip Growth** (FBGRX).

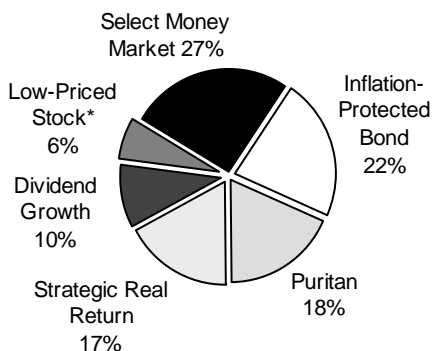
For moderately aggressive members who want equity-dominated portfolios and have no income needs for at least 10 years. Target volatility range: 0.50-1.00.

Growth & Income Model		Rel Vol: 0.47	Est. Yield: 2.6%	YTD Return: -2.9%		
Current Asset Allocation		Stocks 42.4%	Bonds 28.1%	Cash 16.0%	Alternative ¹ 13.5%	Foreign 11.6%
Holdings	Ticker	Alloc	NAV	Shares	Value	Jan. Ret
Puritan	FPURX	31%	\$18.14	14,919.53	\$270,640	-4.7%
Strategic Real Return	FSRRX	21	10.12	17,916.02	181,310	1.3
Blue Chip Growth	FBGRX	18	40.09	3,878.58	155,492	-9.0
Inflation-Protected Bond	FINPX	13	11.47	9,862.59	113,124	3.9
Select Money Market	FSLXX	12	1.00	105,453.43	105,453	0.4
International Value	FIVLX	5	10.47	4,160.96	43,565	-8.4
Current Value (1/1/87 = \$100,000)					\$869,584	-2.9%



A good choice for members retiring in five-10 years looking for less volatility than the market. Seeks a yield in excess of the S&P 500. Target volatility range: 0.25-0.75.

Income & Preservation Model		Rel Vol: 0.30	Est. Yield: 2.8%	YTD Return: -0.7%		
Current Asset Allocation		Stocks 26.6%	Bonds 29.9%	Cash 32.4%	Alternative ¹ 11.1%	Foreign 4.8%
Holdings	Ticker	Alloc	NAV	Shares	Value	Jan. Ret
Select Money Market	FSLXX	27%	\$1.00	136,873.21	\$136,873	0.4%
Inflation-Protected Bond	FINPX	22	11.47	10,225.11	117,282	3.9
Puritan	FPURX	18	18.14	5,278.93	95,760	-4.7
Strategic Real Return	FSRRX	17	10.12	8,948.44	90,558	1.3
Dividend Growth	FDGFX	10	27.78	1,900.78	52,804	-5.5
Low-Priced Stock*	FLPSX	6	39.08	856.20	33,460	-5.0
Current Value (1/1/87 = \$100,000)					\$526,737	-0.7%



*Closed; new members use **Small Cap Growth** (FCPGX).

For members needing income and protection of their purchasing power against inflation. Seeks a yield at least twice the S&P 500. Target volatility range: 0.10-0.50.

¹Alternative investments include such areas as high-yield bonds, commodities, real estate. Portfolio trades and total returns do not take taxes into account, however redemption and exchange fees are included. Figures may be rounded. Dividends are reinvested. Consider the tax implications of trades before you decide to buy or sell any fund. Any trades are detailed on p. 3 and are announced on Friday evening Hotline updates via telephone, e-mail, and web (see p. 12). Use non-Spartan fund alternatives if Spartan minimums can't be met. **Annuity Model Portfolios** are on p. 9.

Eric's Outlook *cont'd from page 1*

sive (Index) funds that leads to investment success. Investors in Index funds (and ETF's) perform just as poorly (or even worse) as those using actively managed funds or individual stocks.

Rather, success comes from *buying* when your emotions tell you to *sell* and *selling* when your biggest urge is to *buy*. Or at least doing "nothing," and simply allowing the natural long-term growth in corporate profits to be reflected in higher stock prices.

Over the past few weeks, I've seen some of this classic (mis)behavior first hand. A friend e-mailed me the other day fretting about how much her account had dropped since her October statement. She very logically told me the account balances to the penny, and calculated her losses — again to the penny.

Wasn't it interesting that she did not explain it in percentages, and that she picked her October 2007 statement as the basis for measuring results? If she had picked her October 2002 statement, she would have seen that she made a lot of money, in both dollar *and* percentage terms.

Another friend mentioned that her son had convinced her to buy some stock in Apple. I told her she should

WHICH FUNDS SHOULD YOU BUY NOW!

Equity Funds: **Mega Cap Stock** provides exposure to very large, "mega-cap" stocks. **Growth Discovery** looks for companies of all market capitalizations that exhibit high growth potential.

Specialty Funds: **Strategic Real Return** with its mix of sectors, affords inflation protection and portfolio diversification.

Fixed-Income Funds: **Inflation-Protected Bond**, as its name implies, has inflation-protection features. **Select Money Market** and **Cash Reserves** are our preferred funds in this interest-rate environment.

International Funds: Emerging markets remain volatile. We favor developed-market funds with some emerging-market exposure such as **International Discovery**. ■

consider selling it, as buying a single stock was not the most appropriate strategy given her current financial situation. (Moreover, the only thing she knows about Apple is that they have a cool phone!) "No dice," she said, "the stock is up and I'm making money." After Apple declined quite a bit over the next few days, I suggested that she might consider selling at least a portion of her position. Once again she resisted, explaining (rather strongly) that now she has a loss and she'll *have to* wait until it recovers, so she can sell it at a profit.

These are just two examples of how smart folks can let their emotions get the better of them when it comes to investing. I guess we are our own

worst enemy.

For the past several months, I've increasingly talked about the 'R' word, and we may indeed be in, or heading for, a recession. But whether we are technically in a recession or not, it will not change our investment portfolios in a significant way.

The proposed tax refund is a bit of a joke — too little, too late. On the other hand, cutting interest rates and making it easier to refinance mortgages will help out homeowners and the housing slump. And business incentives may spur capital investments. These are steps in the right direction, although they will take time to have an effect. But my opinion on the housing market is unchanged. We have yet to hit bottom and it will be a very slow road back.

However, stocks have already dropped quite a bit and market sentiment has become very negative. So despite our less-than-enthusiastic outlook for the economy, I'm comforted by the relative valuations in the market. We are not looking at a 50%-off sale, but by most statistical measures, stocks are reasonably priced.

I'm not any happier about the losses we've suffered in January than you are, but I'm confident that staying put is the best course of action. ■

MODEL PORTFOLIO TRADES

As announced on our January 25 Hotline, effective Monday January 28, we made the following trades in our Model Portfolios:

Action	Fund	Shares	Price	Value	Old%	New%
Aggressive Growth Model:						
Sold:	Select Technology	169.41	\$66.63	\$11,287.65	7%	0%
Bought:	Select Medical Equipment	466.43	\$24.20	\$11,287.65	0%	7%

This trade gives the model a slightly more defensive tilt in an uncertain market. Please note that Select Technology has a 0.75%/30-day short-term trading fee.

Annuity Growth & Income Model:

Sold 1/2:	VIP Value Leaders	584.79	\$11.49	\$6,719.21	22%	11%
Added 1/2 to:	VIP Growth	271.81	\$12.36	\$3,359.60	23%	28%
Added 1/2 to:	VIP Strategic Income	292.90	\$11.47	\$3,359.60	16%	22%

This trade increases the model's exposure to growth stocks, as well as to somewhat less-volatile fixed-income investments.

ANNUAL MODEL PORTFOLIO RETURNS (%)

Model	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07
Aggr Growth												31.4	-8.4	-20.9	-15.8	36.6	14.8	17.9	14.2	14.5
Growth	18.9	34.3	1.0	24.7	13.0	18.0	-0.1	23.9	13.8	17.2	3.3	30.7	-2.1	-2.7	-14.0	33.0	14.4	11.1	11.8	7.8
Growth & Inc	14.8	29.1	-1.3	24.6	14.2	18.2	-0.1	23.1	18.7	20.9	6.3	22.6	-2.1	-4.0	-9.7	27.1	11.5	5.2	10.2	7.3
Inc & Pres	10.2	17.7	0.8	20.9	11.4	16.7	-2.8	21.1	19.0	18.0	5.2	13.4	-1.4	-5.6	-6.8	18.9	7.0	3.5	7.2	5.2

FUND COMMENTARY

Few Places To Hide In January

So much for the “January Effect.” Investors concerned with signs of a global economic slowdown (and a possible recession here at home) pushed the markets lower from the start and they kept on falling. Early in the month, a government report showed a sharp drop in manufacturing activity, while another said housing starts had fallen to their lowest level in 16 years. By Friday January 18th, the Dow was down 9%, the S&P 500 was down 10%, and the Nasdaq was off 12%.

On the following Tuesday, the Federal Reserve stepped in with a surprise inter-meeting rate cut of 75 basis points. While that failed to immediately turn the market around, that action, combined with another 50 basis point cut at their regular meeting on the 30th, did lead to a rally of about 4% for the Dow and the S&P 500, and 2% for the Nasdaq over the last seven days of the month. But the month still ended as one of the worst Januarys on record. Losses were widespread, with all major stock categories showing significant declines. Only high-quality bonds were in the black for the month.

The White House and Congress are also trying to help by pushing through an economic stimulus package (which may be too little, too late).

Extreme Volatility

January may also go down as one of the most volatile months in recent memory. For example, when the Fed announced its emergency 75-basis point rate cut on Jan. 22, the Dow Jones Industrials first responded by falling more than 400 points in the opening minutes, only to end the day nearly 300 points on the upside.

It turned out, however, that the day’s initial plunge may have been precipitated by a major French bank. While U.S. markets were closed for the Martin Luther King holiday, the

bank was forced to unwind some \$70 billion in positions after a rogue trader racked up over \$7 billion in losses.

The Fed’s second rate cut, on the 30th, was preceded by a Commerce Department report that the U.S. economy grew at an annual rate of just 0.6% in the fourth quarter of 2007. For all of 2007, the economy expanded by 2.2% in inflation-adjusted terms, its slowest rate of growth in five years.

All Major Indexes Lower

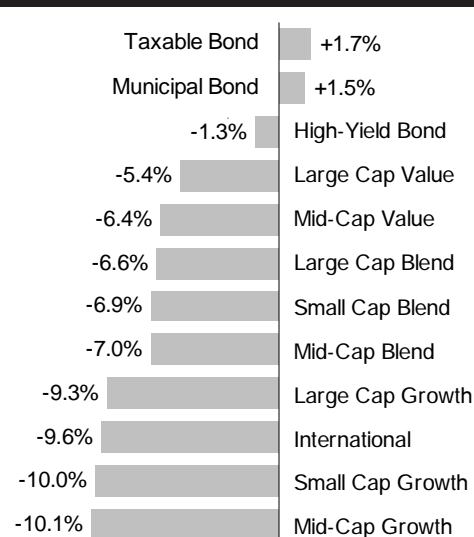
Of the major indexes, the tech-rich Nasdaq took the biggest hit, falling 9.9%. Most major tech stocks were hurt by concerns that businesses are

Blue Chip Value, for example, was off 5.1%, while the value-oriented **Equity-Income** was down 5.3%.

Select Funds

Fidelity’s tech selects were the worst hit. **Computers**, for example, fell 18.7%, **Technology** was down 17.6% and **Electronics** declined 15.8%. Prospects for a slower economy also led to declines for **Energy Service** (down 17.4%) and **Energy** (down 10.9%). On the other hand, the beaten-down financial sector had a couple of winners, with **Home Finance** up 1.5% and **Banking** up 2.3%.

YTD RETURNS BY STYLE



Foreign Stock Funds

All of Fidelity’s international funds were negative in January, with those focusing on markets that depend on exports to the U. S. hit the hardest. Thus, **Southeast Asia** fell 16.1%, **China Region** declined 14.7%, **Pacific Basin** was down 13.0% and **Emerging Markets** declined 12.6%. Meanwhile, funds focusing on resource-rich regions, like **Canada** (down 6.9%) and **Latin America** (down 5.4%) fared somewhat better. As for more globally diversified funds, **Int’l Discovery** was down 9.9% and **Int’l Value** was off 8.4%.

less likely to upgrade equipment and software in the face of an economic slowdown. As for other major indexes, the Dow Industrials fell 4.5%, the S&P 500 declined 6.0% and the small-cap Russell 2000 was down 6.8%.

The news from the technology front was particularly hard on some of Fidelity’s tech-heavy funds. **OTC**, for example, was the month’s worst-performing domestic equity fund, falling 13.7%. **Growth Company**, which has nearly 40% of its assets in technology, was down 9.3% for the month, while **Growth Discovery**, with 35% in tech, declined 9.5%.

At the same time, some funds with more of a value orientation tended to do better — lose less — in January.

Bond Funds

The Fed’s rate cuts contributed to a good month for fixed-income funds, but investors’ desire for refuge from a volatile stock market was probably a bigger reason bond funds — especially Treasury funds — did well in January. **Inflation-Protected Bond** led the way, with a gain of 3.9%, followed by **Spartan Intermediate Treasury Index** (up 3.2%) and **Spartan Long-Term Treasury Index** (up 2.7%).

Municipal bond funds were also positive, with **Short-Intermediate Muni** leading the pack, up 2.1%

The yield on **Cash Reserves** ended the month at 4.37%, down from 4.87% in December. ■

FIDELITY SCORECARD - JANUARY 31, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Jan.	YTD	2007	1 Year	3 Year	5 Year				
		S&P 500 (Large Cap)		1378.6		-6.0	-6.0	5.5	-2.3	8.2	12.6	1.00			
		Dow Industrials (Blue Chip)		12650.4		-4.5	-4.5	8.9	2.6	10.8	13.1	0.91			
		Nasdaq Composite (OTC)		2389.9		-9.9	-9.9	10.7	-2.2	5.5	13.1	1.15			
		Russell 2000 (Small Cap)		713.3		-6.8	-6.8	-1.6	-9.8	8.7	17.1	1.25			
LARGE CAP GROWTH FUNDS						Category Averages			-9.3	-9.3	16.3	3.1	9.2	13.2	1.1
312	FBGRX	Blue Chip Growth		40.09	Buy	-9.0	-9.0	11.8	0.1	4.7	8.8	0.99			
307	FDCAX	Capital Appreciation		25.07	Buy	-6.3	-6.3	6.9	-2.9	7.8	15.3	1.16			
22	FCNTX	Contrafund (closed)		66.16	Buy	-9.5	-9.5	19.8	6.1	12.5	16.4	0.96			
332	FEXPX	Export and Multinational	0.75%/30 days	23.22	Hold	-9.8	-9.8	15.3	0.9	9.5	14.9	1.11			
500	FFTYX	Fifty		18.99	Hold↓	-12.9	-12.9	12.6	-4.7	7.7	9.5	1.09			
25	FDGRX	Growth Company (closed)		75.28	Buy	-9.3	-9.3	19.9	6.9	12.3	17.1	1.07			
339	FDSVX	Growth Discovery		14.72	Buy	-9.5	-9.5	26.8	13.2	12.3	12.5	1.01			
73	FDFFX	Independence		25.28	OK to Buy	-8.6	-8.6	29.5	16.6	14.7	15.5	1.28			
763	FSLGX	Large Cap Growth		9.89	Hold	-7.7	-7.7	2.1	-7.3	4.3	10.8	1.05			
1829	FLGEX	Large Cap Growth Enhcd Index		9.49	Hold	-7.8	-7.8	2.1p	--	--	--	--			
338	FLCSX	Large Cap Stock		17.89	Buy	-7.4	-7.4	13.1	2.7	9.2	11.7	1.03			
21	FMAGX	Magellan		85.47	OK to Buy	-8.9	-8.9	18.8	5.2	8.0	11.2	1.12			
1282	FNCMX	Nasdaq Composite Index	0.75%/90 days	31.62	Hold	-9.9	-9.9	10.5	-2.5	5.6	--	1.09			
93	FOCPX	OTC		45.00	Buy	-13.7	-13.7	26.1	6.5	10.9	14.6	1.20			
320	FDSSX	Stock Selector		27.42	Hold	-7.1	-7.1	11.8	2.5	9.3	13.0	0.98			
5	FTRNX	Trend		62.58	OK to Buy	-11.5	-11.5	18.9	3.4	9.4	13.1	1.12			
LARGE CAP BLEND FUNDS						Category Averages			-6.6	-6.6	8.8	-0.2	8.5	12.5	1.0
1271	FBCVX	Blue Chip Value		13.85	Hold	-5.1	-5.1	4.4	-2.5	8.3	--	1.07			
315	FDEQX	Disciplined Equity		27.18	Buy	-7.9	-7.9	10.8	0.2	9.2	13.4	1.04			
330	FDGFX	Dividend Growth		27.78	Buy	-5.5	-5.5	1.1	-5.7	5.2	8.8	0.91			
3	FFIDX	Fidelity Fund		36.84	OK to Buy	-7.6	-7.6	16.8	5.6	10.2	13.3	1.00			
333	FTQGX	Focused Stock		12.17	Hold	-8.4	-8.4	17.0	4.3	10.0	14.3	1.19			
27	FGRIX	Growth & Income		26.04	OK to Sell	-4.5	-4.5	0.7	-5.1	3.8	7.9	1.06			
1827	FLCEX	Large Cap Core Enhcd Index		9.48	Hold	-6.8	-6.8	1.0p	--	--	--	--			
361	FGRTX	Mega Cap Stock		10.94	Buy	-6.3	-6.3	11.1	2.7	9.0	11.0	0.97			
317	FSMKX	Spartan 500 Index ⁴		95.24	Hold	-6.0	-6.0	5.4	-2.4	7.2	11.9	1.00			
397	FSTMX	Spartan Total Mkt. Index ⁴	0.50%/90 days	38.42	Hold	-6.1	-6.1	5.6	-2.7	7.8	13.0	1.00			
343	FTXMX	Tax Managed Stock	1.00%/2 years	14.74	OK to Buy	-8.2	-8.2	14.2	2.3	10.6	14.2	1.05			
832	FVDFX	Value Discovery		16.77	Buy	-6.5	-6.5	9.7	0.6	12.3	16.7	1.05			

Notes: ¹ Relative Volatility of the fund versus the S&P 500 over the last 12 months; 1.50 means the fund has been 50% more volatile. ² Durations (a measure of interest rate sensitivity) reflect prior quarter figures. ³ Stated yield is before any inflation adjustment, your effective yield may be different. ⁴ Also available in an "Advantage" share class with a minimum of \$100,000, but a lower expense ratio of 0.07% (versus 0.10% for the existing class). ⁵ Also available in "Advantage" shares with a minimum of \$100,000, but a lower expense ratio of 0.10% (versus 0.20% for the investor class). (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

Scorecard Changes

Fund	Style	Prior	New	Comments
Aggressive Growth	Mid-Growth	Hold	OK to Buy	We like this fund's large health care exposure.
Fifty	Large Growth	Buy	Hold	Stock selection has been slipping.
Floating Rate High Income	Taxable Bond	Hold	OK to Buy	Widening credit spreads bode well for this fund.
Ginnie Mae	Taxable Bond	OK to Sell	OK to Buy	GNMA spreads vs. Treasuries are overdone.
Magellan	Large Growth	OK to Buy	OK to Buy	No longer closed to new investors (p. 11).
Mortgage Securities	Taxable Bond	OK to Sell	Hold	Mortgage spreads vs. Treasuries are overdone.
Mid-Cap Stock	Mid-Growth	Buy	Hold	We prefer other funds to this closed offering.
Select Computers	Sector	Buy	Hold	Outlook should improve, but later in the year.
Select Health Care	Sector	Hold	OK to Buy	Good valuations and a defensive equity play.
Select Medical Equipment	Sector	OK to Buy	Buy	Good valuations and a defensive equity play.
Select Natural Gas	Sector	Hold	Buy	Gas consumption will grow with higher oil prices.
Select Networking & Infra.	Sector	OK to Buy	OK to Sell	Our outlook for this sector has diminished.
Select Pharmaceuticals	Sector	Hold	OK to Buy	Good valuations and a defensive equity play.
Select Technology	Sector	Buy	Hold	Outlook should improve, but later in the year.
Utilities	Specialty	OK to Buy	Hold	Big tech and utilities stakes are now problematic.
VIP Health Care	Specialty/Annuity	Hold	OK to Buy	Good valuations and a defensive equity play.
VIP Technology	Specialty/Annuity	Buy	Hold	Outlook should improve, but later in the year.

FIDELITY SCORECARD - JANUARY 31, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Jan.	YTD	2007	1 Year	3 Year	5 Year				
LARGE CAP VALUE FUNDS						Category Averages			-5.4	-5.4	3.2	-3.9	7.7	13.1	1.0
23	FEQIX	Equity-Income		52.25	Buy	-5.3	-5.3	1.4	-5.2	7.6	12.7	1.03			
319	FEQTX	Equity-Income II		21.63	OK to Sell	-5.1	-5.1	4.5	-2.2	6.8	12.3	1.03			
708	FSLVX	Large Cap Value		13.57	Hold	-6.4	-6.4	3.7	-4.4	8.7	14.1	1.07			
1828	FLVEX	Large Cap Value Enhcd Index		9.01	Hold	-4.7	-4.7	-5.1p	--	--	--	--			
MID-CAP GROWTH FUNDS						Category Averages			-10.1	-10.1	11.5	-2.7	8.7	13.6	1.1
324	FDEGX	Aggressive Growth	1.50%/90 days	20.16	OK to Buy↑	-12.4	-12.4	18.8	1.6	8.1	12.6	1.14			
793	FSMGX	Mid Cap Growth	0.75%/30 days	12.21	Sell	-9.7	-9.7	2.4	-9.7	5.0	13.2	1.19			
337	FMCSX	Mid-Cap Stock (closed)	0.75%/30 days	26.66	Hold↓	-8.8	-8.8	8.2	-4.8	10.7	14.2	1.10			
300	FMILX	New Millennium		26.85	Hold	-9.6	-9.6	16.5	2.2	11.0	14.5	1.07			
MID-CAP BLEND FUNDS						Category Averages			-7.0	-7.0	8.0	-2.2	9.7	20.0	1.1
122	FLVCX	Leveraged Company Stock	1.50%/90 days	29.48	Hold	-8.8	-8.8	17.9	4.9	14.2	28.9	1.18			
316	FLPSX	Low-Priced Stock (closed)	1.50%/90 days	39.08	Buy	-5.0	-5.0	3.2	-3.2	8.6	17.2	0.96			
398	FSEMXX	Spartan Extended Mkt Index ⁴	0.75%/90 days	35.94	Hold	-6.2	-6.2	5.4	-4.2	9.1	16.7	1.02			
14	FSLSX	Value Strategies		26.51	Buy	-7.9	-7.9	5.6	-6.4	6.9	17.2	1.11			
MID-CAP VALUE FUNDS						Category Averages			-6.4	-6.4	2.4	-7.0	8.4	16.0	1.1
762	FSMVX	Mid Cap Value	0.75%/30 days	15.09	OK to Sell	-7.3	-7.3	2.7	-7.7	7.9	15.6	1.11			
39	FDVLX	Value		70.84	Buy	-5.6	-5.6	2.2	-6.4	8.8	16.4	1.03			
SMALL CAP GROWTH						Category Averages			-10.0	-10.0	12.1	-1.9	9.0	13.8	1.1
1388	FPCGX	Small Cap Growth	1.50%/90 days	14.43	Buy	-8.6	-8.6	16.8	3.5	11.0	--	1.06			
336	FDSCX	Small Cap Independence	1.50%/90 days	17.64	Hold	-11.4	-11.4	7.3	-7.4	7.0	13.8	1.09			
SMALL CAP BLEND						Category Averages			-6.9	-6.9	4.4	-4.1	8.2	15.5	1.0
\$340	FSLCX	Small Cap Stock (closed)	2.00%/90 days	16.15	Hold	-7.3	-7.3	7.7	-1.1	7.6	15.5	0.94			
1389	FCPVX	Small Cap Value	1.50%/90 days	12.71	OK to Sell	-6.5	-6.5	1.1	-7.1	8.9	--	1.13			
SPECIALTY FUNDS															
304	FBALX	Balanced		18.73	Hold	-4.5	-4.5	9.0	2.4	9.1	13.2	0.70			
308	FCVSX	Convertible Securities		26.34	Hold	-5.9	-5.9	16.2	6.5	10.9	13.2	0.83			
1960	FDYSX	Dynamic Strategies		9.20	Hold	-4.1	-4.1	-2.2p	--	--	--	--			
1368	FIREX	International Real Estate	1.50%/90 days	12.75	Hold	-4.9	-4.9	-8.3	-12.8	13.3	--	1.28			
4	FPURX	Puritan		18.14	Buy	-4.7	-4.7	6.2	0.2	7.2	10.6	0.65			
833	FRIFX	Real Estate Income	0.75%/90 days	10.25	OK to Sell	-0.4	-0.4	-6.5	-8.6	3.2	--	0.35			
303	FRESX	Real Estate Investment	0.75%/90 days	26.14	Sell	0.6	0.6	-21.3	-26.6	9.4	17.4	1.62			
1329	FSDIX	Strategic Dividend & Income		12.05	OK to Buy	-3.7	-3.7	3.1	-3.4	8.1	--	0.85			
1505	FSRRX	Strategic Real Return	0.75%/60 days	10.12	Buy	1.3	1.3	3.8	4.0	--	--	0.28			
311	FIUIX	Utilities		19.00	Hold↓	-7.5	-7.5	10.8	0.2	14.6	17.2	1.02			
ASSET ALLOCATION FUNDS															
328	FASIX	Asset Manager 20%		12.34	Hold	-1.0	-1.0	4.8	3.1	6.0	7.4	0.19			
1957	FTANX	Asset Manager 30%		9.61	Hold	-1.9	-1.9	-1.9p	--	--	--	--			
1958	FFANX	Asset Manager 40%		9.43	Hold	-3.0	-3.0	-2.6p	--	--	--	--			
314	FASMX	Asset Manager 50%		14.89	Hold	-4.0	-4.0	6.3	1.0	5.5	7.6	0.49			
1959	FSANX	Asset Manager 60%		9.13	Hold	-4.9	-4.9	-3.5p	--	--	--	--			
321	FASGX	Asset Manager 70%		15.99	Hold	-5.9	-5.9	7.2	-0.5	5.6	8.7	0.68			
347	FAMRX	Asset Manager 85%		13.16	Hold	-7.0	-7.0	7.9	-1.3	7.8	14.8	0.83			
355	FFNOX	Four-in-One Index		28.93	Hold	-5.1	-5.1	6.2	-0.7	8.1	12.8	0.82			
370	FFFBX	Freedom 2000		12.24	Hold	-1.1	-1.1	5.3	3.4	5.1	5.9	0.27			
1312	FFFVX	Freedom 2005		11.41	Hold	-3.2	-3.2	7.3	2.7	6.5	--	0.49			
371	FFFCX	Freedom 2010		14.35	Hold	-3.2	-3.2	7.4	3.0	6.8	8.9	0.50			
1313	FFVFX	Freedom 2015		11.98	Hold	-3.9	-3.9	7.8	2.3	7.4	--	0.56			
372	FFFDX	Freedom 2020		15.04	Hold	-4.9	-4.9	8.5	1.9	8.1	11.5	0.68			
1314	FFTWX	Freedom 2025		12.48	Hold	-5.3	-5.3	8.6	1.4	8.2	--	0.71			
373	FFFEX	Freedom 2030		15.48	Hold	-6.3	-6.3	9.3	0.8	8.7	12.7	0.83			
1315	FFTHX	Freedom 2035		12.80	Hold	-6.4	-6.4	9.3	0.6	8.7	--	0.84			
718	FFFFX	Freedom 2040		9.07	Hold	-6.8	-6.8	9.3	0.3	8.8	13.5	0.87			
1617	FFFGX	Freedom 2045		10.58	Hold	-6.8	-6.8	9.5	0.5	--	--	0.89			
1618	FFFHX	Freedom 2050		10.61	Hold	-7.2	-7.2	9.8	0.2	--	--	0.91			
369	FFFAX	Freedom Income		11.38	Hold	-0.6	-0.6	4.8	3.5	4.9	5.2	0.21			
1884	FIRJX	Income Replacement 2016		49.59	Hold	-2.0	-2.0	0.4p	--	--	--	--			
1885	FIRKX	Income Replacement 2018		49.41	Hold	-2.5	-2.5	0.4p	--	--	--	--			
1886	FIRLX	Income Replacement 2020		49.15	Hold	-2.8	-2.8	0.2p	--	--	--	--			
1887	FIRMX	Income Replacement 2022		49.16	Hold	-3.1	-3.1	0.2p	--	--	--	--			
1888	FIRNX	Income Replacement 2024		49.13	Hold	-3.4	-3.4	0.4p	--	--	--	--			
1889	FIROX	Income Replacement 2026		48.95	Hold	-3.5	-3.5	0.2p	--	--	--	--			
1890	FIRPX	Income Replacement 2028		49.04	Hold	-3.6	-3.6	0.2p	--	--	--	--			
1891	FIRQX	Income Replacement 2030		48.83	Hold	-3.8	-3.8	0.2p	--	--	--	--			
1892	FIRRX	Income Replacement 2032		48.83	Hold	-4.0	-4.0	0.2p	--	--	--	--			
1893	FIRSX	Income Replacement 2034		48.74	Hold	-4.2	-4.2	0.3p	--	--	--	--			
1894	FIRUX	Income Replacement 2036		48.80	Hold	-4.4	-4.4	0.3p	--	--	--	--			

FIDELITY SCORECARD - JANUARY 31, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹			
						Jan.	YTD	2007	1 Year	3 Year	5 Year				
INTERNATIONAL FUNDS						Category Averages			-9.6	-9.6	20.0	8.7	18.4	24.0	1.2
335	FIVFX	Aggressive Int'l	1.00%/30 days	13.57	OK to Sell	-10.3	-10.3	5.2	-8.1	8.3	15.2	0.92			
309	FICDX	Canada	1.50%/90 days	57.19	OK to Buy	-6.9	-6.9	35.0	24.7	23.5	27.8	1.13			
352	FHKCX	China Region	1.50%/90 days	26.59	OK to Sell	-14.7	-14.7	46.3	24.4	23.9	24.6	1.55			
325	FDIVX	Diversified International (closed)	1.00%/30 days	36.20	OK to Buy	-9.3	-9.3	16.0	4.3	15.4	21.4	1.03			
322	FEMKX	Emerging Markets	1.50%/90 days	29.58	Buy	-12.6	-12.6	45.1	28.0	34.0	35.1	1.43			
301	FIEUX	Europe	1.00%/30 days	37.88	OK to Buy	-10.2	-10.2	16.4	2.9	15.7	25.2	1.09			
341	FECAX	Europe Capital App	1.00%/30 days	23.89	OK to Buy	-10.2	-10.2	14.8	1.7	17.7	21.5	1.05			
334	FGBLX	Global Balanced	1.00%/30 days	21.51	Hold	-4.3	-4.3	13.8	8.1	11.1	15.2	0.61			
305	FIGRX	International Discovery	1.00%/30 days	38.80	Buy	-9.9	-9.9	19.0	6.4	16.9	22.7	1.04			
1979	FIGFX	International Growth	1.00%/30 days	8.61	Hold	-9.9	-9.9	-2.8p	--	--	--	--			
818	FISMX	Int'l Small Cap (closed)	2.00%/90 days	20.93	Hold	-9.4	-9.4	13.2	1.3	13.7	28.4	1.01			
1504	FSCOX	Int'l Small Cap Opportunities	2.00%/90 days	13.06	Hold	-9.4	-9.4	3.0	--	--	--	1.25			
1597	FIVLX	International Value	1.00%/30 days	10.47	Buy	-8.4	-8.4	9.5	--	--	--	1.07			
350	FJPNX	Japan	1.50%/90 days	13.63	OK to Sell	-5.0	-5.0	-2.7	-7.1	8.3	14.8	1.08			
360	FJSCX	Japan Smaller Cos (closed)	1.50%/90 days	10.00	Sell	-9.3	-9.3	-12.4	-20.1	-4.7	11.8	1.09			
349	FLATX	Latin America	1.50%/90 days	58.65	OK to Buy	-5.4	-5.4	43.7	34.2	45.2	49.3	2.00			
342	FNORX	Nordic	1.50%/90 days	40.60	OK to Buy	-10.5	-10.5	23.2	8.0	22.8	28.5	1.37			
94	FOSFX	Overseas	1.00%/30 days	43.66	OK to Buy	-9.8	-9.8	21.8	9.0	17.6	21.8	1.17			
302	FPBFX	Pacific Basin	1.50%/90 days	26.27	Hold	-13.0	-13.0	25.2	9.3	18.5	22.2	1.19			
351	FSEAX	Southeast Asia	1.50%/90 days	33.29	OK to Sell	-16.1	-16.1	55.4	32.0	33.0	32.7	1.53			
399	FSIIX	Spartan Int'l Index ⁴	1.00%/90 days	43.45	Hold	-8.1	-8.1	10.7	0.7	14.1	20.1	1.00			
1978	FTIEX	Total International Equity	1.00%/30 days	8.56	OK to Buy	-9.4	-9.4	-2.9p	--	--	--	--			
318	FWWFX	Worldwide	1.00%/30 days	19.40	Hold	-9.2	-9.2	18.5	5.8	13.6	18.1	1.05			
SELECT PORTFOLIOS						Category Averages			-6.8	-6.8	11.3	0.8	10.4	15.7	1.2
34	FSAIX	Air Transportation	0.75%/30 days	40.34	Hold	-4.4	-4.4	-1.9	-11.3	13.0	18.3	1.32			
502	FSAVX	Automotive	0.75%/30 days	36.22	OK to Sell	-3.1	-3.1	0.0	-7.4	3.6	11.6	1.33			
507	FSRBX	Banking	0.75%/30 days	25.05	Sell	2.3	2.3	-21.2	-19.2	-2.2	6.1	1.42			
42	FBIOX	Biotechnology	0.75%/30 days	65.11	Hold	-2.4	-2.4	2.7	-1.6	6.5	10.8	0.97			
68	FSLBX	Brokerage & Investment	0.75%/30 days	62.71	Sell	-6.8	-6.8	-0.2	-10.2	14.5	18.8	1.45			
69	FSCHX	Chemicals	0.75%/30 days	78.91	Buy	-4.6	-4.6	28.4	17.5	13.7	21.2	1.22			
518	FSDCX	Communications Equipment	0.75%/30 days	19.89	Hold	-11.4	-11.4	9.8	-1.5	3.5	14.6	1.33			
7	FDCPX	Computers	0.75%/30 days	39.32	Hold↓	-18.7	-18.7	22.4	-3.4	5.6	12.8	1.32			
511	FSHOX	Construction & Housing	0.75%/30 days	35.66	OK to Sell	5.3	5.3	-13.9	-13.7	1.8	15.9	1.45			
517	FSCPX	Consumer Discretionary	0.75%/30 days	20.60	OK to Sell	-2.0	-2.0	-8.3	-13.9	2.0	7.8	1.10			
9	FDFAX	Consumer Staples	0.75%/30 days	62.57	Buy	-6.0	-6.0	21.5	11.0	13.0	14.9	0.70			
67	FSDAX	Defense & Aerospace	0.75%/30 days	82.44	OK to Buy	-6.8	-6.8	17.8	6.3	16.2	21.2	1.03			
8	FSELX	Electronics	0.75%/30 days	38.40	Hold	-15.8	-15.8	4.7	-13.0	2.3	10.6	1.29			
60	FSENX	Energy	0.75%/30 days	59.41	OK to Buy	-10.9	-10.9	45.5	29.4	29.4	30.3	1.46			
43	FSESX	Energy Service	0.75%/30 days	83.92	OK to Buy	-17.4	-17.4	55.2	30.7	27.1	26.8	1.65			
516	FSLEX	Environmental	0.75%/30 days	17.70	Hold	-8.6	-8.6	12.4	1.5	8.9	12.2	1.02			
66	FIDSX	Financial Services	0.75%/30 days	93.50	OK to Sell	-2.3	-2.3	-13.6	-16.5	2.4	9.3	1.35			
41	FSAGX	Gold	0.75%/30 days	43.27	Hold	8.5	8.5	24.9	37.2	36.0	23.2	1.73			
63	FSPHX	Health Care	0.75%/30 days	117.47	OK to Buy↑	-6.6	-6.6	12.5	2.4	9.9	10.2	0.79			
98	FSVLX	Home Finance	0.75%/30 days	29.00	Sell	1.5	1.5	-38.0	-37.2	-12.0	0.5	1.82			
510	FSCGX	Industrial Equipment	0.75%/30 days	32.70	Hold	-9.0	-9.0	23.2	9.7	13.0	19.2	1.11			
515	FCYIX	Industrials	0.75%/30 days	20.66	Hold	-7.2	-7.2	17.7	6.7	12.6	20.1	1.10			
45	FSPCX	Insurance	0.75%/30 days	58.68	Hold	-6.8	-6.8	-4.4	-9.0	4.7	10.8	1.15			
353	FBSOX	IT Services	0.75%/30 days	15.08	Hold	-9.8	-9.8	11.5	-0.3	8.4	13.5	1.10			
62	FDLSX	Leisure	0.75%/30 days	73.50	Hold	-4.5	-4.5	4.2	-3.4	7.1	14.7	1.00			
509	FSDPX	Materials	0.75%/30 days	55.14	Hold	-5.7	-5.7	29.2	16.1	20.2	23.1	1.35			
505	FSHCX	Medical Delivery	0.75%/30 days	49.12	OK to Buy	-6.7	-6.7	16.9	6.2	10.7	20.7	0.78			
354	FSMEX	Medical Equipment	0.75%/30 days	24.42	Buy↑	-1.8	-1.8	17.9	11.1	9.2	15.2	0.79			
503	FBMPX	Multimedia	0.75%/30 days	35.11	OK to Sell	-6.6	-6.6	-9.3	-18.2	2.2	8.3	0.99			
513	FSNGX	Natural Gas	0.75%/30 days	44.76	Buy↑	-7.7	-7.7	40.9	24.8	24.3	29.4	1.39			
514	FNARX	Natural Resources	0.75%/30 days	35.86	Buy	-10.5	-10.5	50.1	32.2	31.9	30.9	1.46			
912	FNINX	Networking & Infrastructure	0.75%/30 days	2.09	OK to Sell↓	-15.7	-15.7	0.4	-16.1	-1.2	6.9	1.26			
506	FSPFX	Paper & Forest	0.75%/30 days	30.11	Hold	-3.9	-3.9	0.8	-5.8	3.2	6.2	1.24			
580	FPHAX	Pharmaceuticals	0.75%/30 days	10.74	OK to Buy↑	-7.7	-7.7	13.4	1.9	10.9	10.2	0.87			
46	FSRPX	Retailing	0.75%/30 days	40.03	Sell	-2.2	-2.2	-8.0	-13.5	4.3	12.7	1.30			
28	FSCSX	Software & Computer Svcs	0.75%/30 days	70.18	OK to Buy	-13.6	-13.6	23.9	3.8	12.4	14.4	1.16			
64	FSPTX	Technology	0.75%/30 days	66.98	Hold↓	-17.6	-17.6	19.8	-3.1	5.8	12.4	1.30			
96	FSTCX	Telecommunications	0.75%/30 days	45.91	Hold	-11.8	-11.8	8.2	-9.8	10.4	13.5	1.20			
512	FSRFX	Transportation	0.75%/30 days	46.67	OK to Sell	2.0	2.0	-0.6	-4.2	9.5	18.0	1.30			
65	FSUTX	Utilities Growth	0.75%/30 days	59.43	Hold	-7.5	-7.5	18.1	9.2	16.8	20.2	1.12			
963	FWRLX	Wireless	0.75%/30 days	7.46	Hold	-13.7	-13.7	27.5	6.8	13.3	27.7	1.33			

FIDELITY SCORECARD - JANUARY 31, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Duration (Years) ²	30-Day Yld. (%)	Tax-Equivalent Yield Federal Tax Bracket						
						Jan.	YTD	2007			25%	28%	33%	35%			
TAXABLE BOND FUNDS						Category Averages			1.7	1.7	5.1	4.2	4.21				
15	FGMN	Ginnie Mae		11.09	OK to Buy↑	1.9	1.9	6.8	3.6	4.89							
54	FGOV	Government Income		10.57	Hold	2.4	2.4	7.9	4.6	4.02							
794	FINPX	Inflation-Protected Bond ³		11.47	Buy	3.9	3.9	9.1	5.0	1.37							
32	FTHR	Intermediate Bond		10.24	OK to Buy	1.3	1.3	4.0	3.7	4.64							
452	FSTGX	Intermediate Gov't Income		10.49	Buy	2.4	2.4	7.9	3.4	3.86							
26	FBNDX	Investment Grade Bond		7.24	Hold	1.1	1.1	2.6	4.6	5.05							
40	FMSFX	Mortgage Securities		10.52	Hold↑	1.1	1.1	-0.4	3.4	5.41							
450	FSHBX	Short-Term Bond		8.62	OK to Sell	0.6	0.6	1.7	1.7	4.57							
1561	FIBIX	Sptn Interm Treas Index ⁵		10.72	OK to Buy	3.2	3.2	10.1	6.0	3.45							
1562	FLBIX	Sptn Lng-Term Treas Index ⁵		10.48	Hold	2.7	2.7	9.5	11.1	4.08							
1560	FSBIX	Sptn Sht-Term Treas Index ⁵		10.50	Buy	2.2	2.2	7.9	2.3	2.58							
820	FTBFX	Total Bond		10.42	Buy	1.3	1.3	4.2	4.2	4.90							
651	FBIDX	U.S. Bond Index		11.02	Hold	1.6	1.6	5.4	4.4	4.65							
812	FUSFX	Ultra-Short Bond	0.25%/60 days	8.84	OK to Sell	-1.6	-1.6	-5.1	0.3	5.53							
HIGH-YIELD BOND FUNDS						Category Averages			-1.3	-1.3	3.8	6.95					
38	FAGIX	Capital & Income	1.00%/90 days	8.37	Hold	-3.1	-3.1	3.8	--	7.30							
814	FFRHX	Floating Rate High Income	1.00%/60 days	9.22	OK to Buy↑	-3.1	-3.1	2.7	--	7.43							
1366	FHIFX	Focused High Income	1.00%/90 days	9.75	Hold	-0.8	-0.8	3.1	--	7.07							
455	SPHIX	High Income	1.00%/90 days	8.41	Hold	-1.7	-1.7	2.4	--	8.28							
331	FNMI	New Markets Income	1.00%/90 days	14.68	Hold	0.5	0.5	5.7	--	5.83							
368	FSICX	Strategic Income		10.48	Buy	0.5	0.5	5.4	--	5.81							
MUNICIPAL BOND						Category Averages			1.5	1.5	3.7	5.7	3.24	25%	28%	33%	35%
36	FLTMX	Interm Municipal Income	0.50%/30 days	10.09	Buy	1.6	1.6	4.0	5.3	3.16	4.2	4.4	4.7	4.9			
37	FHIGX	Municipal Income	0.50%/30 days	12.65	OK to Buy	0.9	0.9	3.1	7.3	3.57	4.8	5.0	5.3	5.5			
404	FSTFX	Short-Int Municipal Income	0.50%/30 days	10.50	Buy	2.1	2.1	4.4	2.9	2.60	3.5	3.6	3.9	4.0			
90	FTABX	Tax-Free Bond	0.50%/30 days	10.78	OK to Buy	1.2	1.2	3.2	7.3	3.63	4.8	5.0	5.4	5.6			
STATE-SPECIFIC MUNICIPAL BOND						Category Averages			1.4	1.4	3.4	6.4	3.25				
434	FSAZX	Arizona Muni Income	0.50%/30 days	11.31	OK to Buy	1.0	1.0	2.6	7.4	3.43	4.6	4.8	5.1	5.3			
91	FCTFX	California Muni Income	0.50%/30 days	12.23	OK to Buy	1.0	1.0	2.9	7.1	3.50	4.7	4.9	5.2	5.4			
1534	FCSTX	Calif Short-Interm Tax Free	0.50%/30 days	10.31	OK to Buy	2.0	2.0	4.3	3.4	2.73	3.6	3.8	4.1	4.2			
407	FICNX	Connecticut Muni Income	0.50%/30 days	11.43	OK to Buy	1.7	1.7	3.8	6.2	3.15	4.2	4.4	4.7	4.8			
429	SMDMX	Maryland Muni Income	0.50%/30 days	10.88	OK to Buy	1.4	1.4	3.0	6.9	3.31	4.4	4.6	4.9	5.1			
70	FDMMX	Mass Muni Income	0.50%/30 days	11.87	OK to Buy	1.1	1.1	3.3	7.0	3.45	4.6	4.8	5.1	5.3			
81	FMHTX	Michigan Muni Income	0.50%/30 days	11.90	Hold	1.5	1.5	3.7	6.2	3.11	4.1	4.3	4.6	4.8			
82	FIMIX	Minnesota Muni Income	0.50%/30 days	11.34	OK to Buy	1.4	1.4	3.2	6.0	3.23	4.3	4.5	4.8	5.0			
416	FNJHX	New Jersey Muni Income	0.50%/30 days	11.59	OK to Buy	1.3	1.3	3.7	6.6	3.26	4.3	4.5	4.9	5.0			
71	FTFMX	New York Muni Income	0.50%/30 days	12.81	OK to Buy	1.2	1.2	3.3	7.0	3.38	4.5	4.7	5.0	5.2			
88	FOHFX	Ohio Muni Income	0.50%/30 days	11.64	OK to Buy	1.5	1.5	3.6	6.7	3.26	4.3	4.5	4.9	5.0			
402	FPXTX	Pennsylvania Muni Income	0.50%/30 days	10.83	OK to Buy	1.3	1.3	3.9	5.9	3.18	4.2	4.4	4.7	4.9			
TAXABLE MONEY MARKET						Category Averages			0.4	0.4	4.9	4.05					
55	FDRXX	Cash Reserves		1.00	--	0.39	0.39	5.06	na	4.37							
631	FGMXX	Retirement Government MM		1.00	--	0.35	0.35	4.93	na	3.92							
630	FRTXX	Retirement MM		1.00	--	0.38	0.38	5.12	na	4.28							
458	SPAXX	Government MM		1.00	--	0.35	0.35	4.90	na	3.99							
454	SPRXX	Money Market		1.00	--	0.38	0.38	5.09	na	4.29							
85	FSLXX	Select MM		1.00	--	0.39	0.39	5.14	na	4.43							
50	FGRXX	U.S. Gov't Reserves		1.00	--	0.36	0.36	4.97	na	4.03							
415	FDLXX	US Treasury MM		1.00	--	0.27	0.27	4.38	na	3.07							
MUNICIPAL MONEY MARKET						Category Averages			0.2	0.2	3.4	2.77					
460	FIMXX	AMT Tax-Free Money Fnd		1.00	--	0.24	0.24	3.43	na	2.84	3.8	3.9	4.2	4.4			
10	FTEXX	Municipal Money Market		1.00	--	0.24	0.24	3.34	na	2.72	3.6	3.8	4.1	4.2			
275	FMOXX	Tax-Free Money Market		1.00	--	0.23	0.23	3.30	na	2.74	3.7	3.8	4.1	4.2			
STATE MUNICIPAL MONEY MARKET						Category Averages			0.2	0.2	3.3	2.66					
433	FSAXX	Arizona		1.00	--	0.22	0.22	3.26	na	2.50	3.3	3.5	3.7	3.8			
457	FSPXX	California AMT Tax-Free		1.00	--	0.24	0.24	3.39	na	2.90	3.9	4.0	4.3	4.5			
97	FCFX	California		1.00	--	0.22	0.22	3.20	na	2.60	3.5	3.6	3.9	4.0			
418	FCMXX	Connecticut		1.00	--	0.23	0.23	3.25	na	2.62	3.5	3.6	3.9	4.0			
426	FMSXX	Mass AMT Tax-Free		1.00	--	0.24	0.24	3.39	na	2.81	3.7	3.9	4.2	4.3			
74	FDMXX	Massachusetts		1.00	--	0.23	0.23	3.20	na	2.68	3.6	3.7	4.0	4.1			
420	FMIXX	Michigan		1.00	--	0.22	0.22	3.21	na	2.62	3.5	3.6	3.9	4.0			
423	FSJXX	New Jersey AMT Tax-Free		1.00	--	0.24	0.24	3.41	na	2.89	3.9	4.0	4.3	4.4			
417	FNJXX	New Jersey		1.00	--	0.23	0.23	3.23	na	2.74	3.7	3.8	4.1	4.2			
422	FSNXX	New York AMT Tax-Free		1.00	--	0.24	0.24	3.39	na	2.75	3.7	3.8	4.1	4.2			
92	FNYXX	New York		1.00	--	0.22	0.22	3.22	na	2.45	3.3	3.4	3.7	3.8			
419	FOMXX	Ohio		1.00	--	0.22	0.22	3.22	na	2.46	3.3	3.4	3.7	3.8			
401	FPTXX	Pennsylvania		1.00	--	0.23	0.23	3.25	na	2.62	3.5	3.6	3.9	4.0			

Tax-equivalent yields for state funds assume top state (and city) tax level for that federal bracket, and itemized deductions.

FIDELITY SCORECARD - JANUARY 31, 2008

Fund No.	Fund Ticker	Fund Name	Short-Term Trading Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) ¹
						Jan.	YTD	2007	1 Year	3 Year	5 Year	
FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS												
9077	FQBRC	Fid VIP Aggressive Growth		11.39	OK to Buy	-12.7	-12.7	17.1	0.1	--	--	1.19
9067	FLRQC	Fid VIP Asset Manager		12.05	Hold	-4.2	-4.2	15.1	9.1	6.8	8.3	0.62
9066	FAEEC	Fid VIP Asset Manager: Growth		12.13	Hold	-6.1	-6.1	18.5	9.7	7.1	9.5	0.85
9069	FJBAC	Fid VIP Balanced		12.02	Hold	-4.6	-4.6	8.6	2.0	6.4	8.0	0.72
9081	FVHAC	Fid VIP Consumer Discretionary	1.00%/60 days	10.13	OK to Sell	-2.1	-2.1	-8.5	-14.1	-0.2	6.3	1.25
9171	FCSAC	Fid VIP Consumer Staples	1.00%/60 days	10.47	Buy	-5.8	-5.8	11.6p	--	--	--	--
9065	FPDFC	Fid VIP Contrafund		12.77	Hold	-8.3	-8.3	17.2	5.2	11.3	15.4	0.99
9148	FPRGC	Fid VIP Disciplined Small Cap		9.17	Buy	-7.1	-7.1	-2.7	-11.0	--	--	1.44
9074	FZAMC	Fid VIP Dynamic Capital App		12.38	Buy	-6.4	-6.4	6.6	-3.2	11.3	--	1.22
9085	FJLLC	Fid VIP Energy	1.00%/60 days	16.46	OK to Buy	-11.0	-11.0	45.5	29.1	28.3	28.6	1.47
9061	FLOLC	Fid VIP Equity-Income		11.76	Buy	-5.3	-5.3	1.1	-5.5	6.5	11.8	1.11
9083	FONNC	Fid VIP Financial Services	1.00%/60 days	10.45	OK to Sell	-2.3	-2.3	-13.8	-16.6	1.8	8.7	1.39
9157	FMPAC	Fid VIP FundsManager 20		10.95	Hold	-1.0	-1.0	5.8	4.0	--	--	0.20
9158	FMPBC	Fid VIP FundsManager 50		10.91	Hold	-3.5	-3.5	6.8	1.8	--	--	0.52
9159	FMPCC	Fid VIP FundsManager 70		10.87	Hold	-5.3	-5.3	7.5	0.4	--	--	0.76
9160	FMPDC	Fid VIP FundsManager 85		10.83	Hold	-6.6	-6.6	8.4	-0.6	--	--	0.94
9062	FMNDC	Fid VIP Growth		12.48	Buy	-9.7	-9.7	26.5	12.0	9.1	11.9	1.12
9070	FLFNC	Fid VIP Growth & Income		12.28	Hold	-7.1	-7.1	11.8	2.5	8.0	10.1	1.03
9068	FIDPC	Fid VIP Growth Opportunities		11.72	OK to Sell	-14.4	-14.4	22.7	0.9	5.1	9.9	1.37
9078	FPVDC	Fid VIP Growth Stock		11.21	OK to Buy	-11.7	-11.7	22.1	5.8	--	--	1.38
9084	FPDRC	Fid VIP Health Care	1.00%/60 days	11.25	OK to Buy	-6.7	-6.7	9.7	0.5	7.8	8.7	0.79
9060	FBBLC	Fid VIP High Income		11.29	OK to Sell	-1.7	-1.7	2.3	-0.4	4.3	8.6	0.20
9064	FXVLT	Fid VIP Index 500		11.61	Hold	-6.0	-6.0	5.2	-2.6	6.0	10.7	1.05
9082	FBALC	Fid VIP Industrials	1.00%/60 days	13.19	Hold	-7.4	-7.4	17.8	6.7	11.8	19.5	1.26
9076	FVJIC	Fid VIP Int'l Capital App	1.00%/60 days	11.54	Hold	-10.3	-10.3	4.8	-8.5	--	--	0.93
9090	FBKQT	Fid VIP Investor Freedom 2005		11.76	Hold	-3.1	-3.1	8.3	4.0	--	--	0.47
9091	FCRJT	Fid VIP Investor Freedom 2010		11.76	Hold	-3.1	-3.1	8.4	4.0	--	--	0.49
9092	FTCMT	Fid VIP Investor Freedom 2015		11.98	Hold	-3.7	-3.7	9.0	3.8	--	--	0.55
9093	FTEMT	Fid VIP Investor Freedom 2020		12.09	Hold	-4.9	-4.9	9.9	3.1	--	--	0.69
9094	FVIIT	Fid VIP Investor Freedom 2025		12.16	Hold	-5.2	-5.2	10.1	3.0	--	--	0.73
9095	FXJLT	Fid VIP Investor Freedom 2030		12.24	Hold	-6.3	-6.3	11.0	2.5	--	--	0.85
9089	FBXOT	Fid VIP Investor Freedom Income		11.35	Hold	-0.8	-0.8	5.8	4.3	--	--	0.19
9063	FTLKC	Fid VIP Investment Grade Bond		11.05	Buy	1.5	1.5	4.0	5.6	3.4	3.7	0.27
9172	FVMAC	Fid VIP Materials	1.00%/60 days	10.77	Hold	-5.5	-5.5	14.7p	--	--	--	--
9071	FNBSC	Fid VIP Mid Cap		12.72	Buy	-7.8	-7.8	15.2	4.5	11.7	18.9	1.09
9059	FTNJC	Fid VIP Money Market		11.15	--	0.4	0.4	4.9	4.8	3.8	2.4	0.02
9088	FEMMC	Fid VIP Overseas	1.00%/60 days	13.86	Hold	-9.1	-9.1	16.9	5.5	14.3	--	1.10
9072	FFWKC	Fid VIP Real Estate		11.63	Sell	-0.3	-0.3	-18.0	-24.6	8.6	--	1.73
9075	FGDQC	Fid VIP Strategic Income		11.48	Buy	0.4	0.4	5.3	5.8	5.0	--	0.14
9086	FYENC	Fid VIP Technology	1.00%/60 days	10.93	Hold	-18.2	-18.2	14.9	-6.0	6.1	12.3	1.57
9173	FVTAC	Fid VIP Telecommunications	1.00%/60 days	8.74	Hold	-11.9	-11.9	-1.1p	--	--	--	--
9087	FXRRC	Fid VIP Utilities	1.00%/60 days	14.65	Hold	-7.4	-7.4	20.2	11.3	16.4	19.7	1.11
9079	FKMSC	Fid VIP Value		11.27	Buy	-5.7	-5.7	1.7	-6.9	--	--	1.18
9080	FUEBC	Fid VIP Value Leaders		11.82	Buy	-5.1	-5.1	4.2	-2.7	--	--	1.13
9073	FRBSC	Fid VIP Value Strategies		11.53	Buy	-8.0	-8.0	5.3	-6.7	5.4	--	1.26
9147	FPRLC	Lazard Retirement Emerging Mkts		13.82	Hold	-6.2	-6.2	33.3	25.8	--	--	1.26
9143	FPRMC	Morgan Stanley Emerg Mkt Debt		11.63	Hold	0.9	0.9	6.3	7.9	8.9	12.2	0.28
9144	FPRNC	Morgan Stanley Emerg Mkt Equity		13.71	Buy	-12.5	-12.5	40.1	22.6	29.4	31.9	1.57
9145	FPROC	Morgan Stanley Gbl Value Equity		10.84	OK to Buy	-8.3	-8.3	6.4	-3.8	7.4	12.8	1.02
9146	FPRPC	Morgan Stanley Int'l Magnum		11.32	Buy	-9.7	-9.7	14.3	1.8	12.3	16.4	1.14
9174	FMCCC	Strategic Advisors Mid Cap Value		9.00	Hold	-4.1	-4.1	-6.3p	--	--	--	--
9175	FSCCC	Strategic Advisors Small Cap		8.52	Hold	-7.2	-7.2	-8.5p	--	--	--	--

Annuity Growth Model

Fund	Allocation
Fidelity VIP Growth	28%
Fidelity VIP Strategic Income	27
Fidelity VIP Value Leaders	19
Morgan Stanley Int'l Magnum	12
Fidelity VIP Value Strategies	10
Fidelity VIP Energy	5
Total Returns: Jan: -6.2% YTD: -6.2%	

Annuity Growth & Income Model

Fund	Allocation
Fidelity VIP Growth	29%
Fidelity VIP Investment Grade	26
Fidelity VIP Strategic Income	22
Fidelity VIP Value Leaders	11
Fidelity VIP Value Strategies	8
Morgan Stanley Int'l Magnum	5
Total Returns: Jan: -4.5% YTD: -4.5%	

Annuity Income & Preservation Model

Fund	Allocation
Fidelity VIP Investment Grade	31%
Fidelity VIP Money Market	21
Fidelity VIP Strategic Income	17
Fidelity VIP Value Leaders	16
Fidelity VIP Growth	10
Fidelity VIP Value Strategies	5
Total Returns: Jan: -1.7% YTD: -1.7%	

FUND UPDATE

Fidelity Reopens Magellan Fund

Fidelity's "flagship" fund is taking on new passengers once again. But should you climb aboard?

More than 10 years after closing **Magellan** to new investors, Fidelity reopened the fund on Jan. 15. At about \$45 billion, the fund has less than half the assets it had at its peak in 1999, when it held nearly \$106 billion. When it closed in 1997, assets stood at \$61 billion. Even at \$45 billion, it's still Fidelity's third-largest stock fund, behind **Contrafund** and **Diversified International**.

You can thank Manager Harry Lange for the reopening. Harry replaced long-time manager Bob Stansky in October 2005 and immediately replaced many of the blue chip stocks he inherited, and pushed it back towards its growth-fund roots by adding stocks with greater potential earnings growth and increasing the fund's exposure to for-

eign stocks (now about 25% of the fund). He also cut the fund's market cap by almost two thirds by adding a large dose of mid- and even some small-cap names.

This "new" Magellan is much more opportunistic than it was under Stansky. 2006 favored value stocks over growth and the fund lagged the S&P 500. But in 2007, Harry's bets

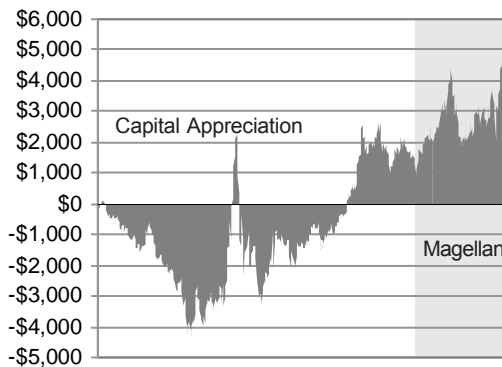
paid off big as it was a good year for large growth and tech, his largest sector weight.

Another reason for reopening the fund, apart from improved performance, is demographics. 85% of Magellan's assets are earmarked for retirement and, as baby boomers have begun to retire, they have been redeeming shares. As shares of the fund are sold, Harry says he sometimes has to sell stocks he might otherwise like to keep in the portfolio. Harry also told us that he would like more cash so he can capitalize on current opportunities, also without having to sell positions he likes.

While we currently lean towards funds with smaller asset bases, as well as those with bigger market caps, such as **Mega Cap Stock** (p. 12), given Harry's successful stewardship of Magellan, plus his previous record on **Cap App** (see graph), we rate Magellan *OK to Buy*. It looks like good things are in store for Harry and a growing roster of Magellan shareholders. ■

LANGE LEADS S&P 500

Cumulative Difference in Value of \$10,000



After lagging for his first few years on Cap App, Harry Lange has been generally outperforming the S&P 500 ever since.

FUND FOCUS

Small Cap Stock: Ready For A Rebound

Paul Antico has been down this road before. He has managed **Small Cap Stock** since it opened for business in March 1998 — almost 10 years ago. In that time, he has handled a number of tough markets for small-cap stocks, some even worse than what we've been seeing of late.

In 2002, for example, the Russell 2000, which is the fund's benchmark, fell 20%.

Jumping ahead to 2007, the Russell 2000 also lost ground, though it was only down 1.6%.

In both of those years, Small Cap Stock outperformed the index, losing less (down 15.7%) in 2002 and ringing up a gain of 7.7% in 2007.

At the same time, when the Russell has done well, the fund has tended to lag, but not by much. In 2003, for example, the Russell 2000 gained over

47%, while Small Cap Stock rose just over 45%.

So, what does he think of this year's market, where the Russell 2000 has already fallen 6.8%? "I'm salivating," Paul said when we spoke with him a couple of weeks ago. "It's a great time to be looking for bargains."

A market like this, he says, is a bit like playing chess. He knows he can check-mate his opponent, but he wants to get his pieces in place now, so he's ready for the day the small-cap market rebounds.

"I'm looking at areas I haven't looked at in a while," Paul notes. For example, he likes "truckload" companies. These companies carry the goods of a single shipper in each truck, while less-than-truckload companies put goods from various shippers in a truck. The stronger truckload companies, he believes, will be among the first to benefit from an upturn in the economy, when it comes.

Paul took a six-month leave of absence from Fidelity in 2005, and rather than set him back, it actually reinforced a lesson. "I was surprised at how little had changed, not just in terms of the stocks, but in the stories behind those companies," he says. That taught him a lot about patience and believing in the reasons he bought the stocks he liked in the first place.

The fund was closed to new investors in June 2006, when its assets reached \$4.9 billion. Even though that number has slipped a little to about \$4.7 billion, Paul says he would not favor reopening it, given the fact that he's repositioning the fund for a recovery that may take a year or more to pan out.

Paul has done a fine job on this fund for nearly a decade and when the small-cap recovery does come, we're confident he can take advantage of it. In the meantime, however, we'll maintain our *Hold* rating on Small Cap Stock. ■

FUND PROFILE

More 'Mega' For Mega Cap Stock

In early December, we purchased **Mega Cap Stock** for our Aggressive Growth Model. Though one month of performance means little, this large-cap blend fund (down 6.3%) was roughly in line with the S&P 500's decline of 6.0% in January.

The fund should benefit from the fact that mega-caps have revenue and income streams that are somewhat less vulnerable to economic downturns than smaller firms. Its top holdings — such as Merck, Microsoft, and Chevron — have investment-grade debt that's highly liquid (tradeable in capital markets). If they need to borrow money, they can do so more cheaply than others. And, given their dominant market shares and operational efficiencies, they are less likely to suffer at the hands of smaller competitors.

Also, one cannot overlook the fact that, by historical standards, mega-cap stocks currently are inexpensive relative to smaller fare, as measured by their price-to-earnings ratios. Taken together, over the longer term, these characteristics tend to provide a margin of safety.

Prior to November, Mega Cap Stock was called **Growth & Income II**. But with its new name, investment strategy and manager (it's now run by Rick Mace), the fund's market capitalization has risen dramatically.

Most recently, its market cap has headed north to \$68 billion, up from \$50 billion. However, as its benchmark (the Russell Top 200 Index) weighs in at a "mega" \$136 billion, and as only 56% of its assets are currently in mega-caps (26% are categorized as "very large cap"), we expect to see the fund's market cap rise further as the year unfolds. ■

Inside Fidelity

Manager Changes — Patrick Venanzi has been named portfolio manager of **Mid Cap Growth**, succeeding Bahaa Fam. Patrick joined Fidelity in 2001 as an analyst following retail and consumer industries. In 2006, he joined Fidelity's mid-cap team. However, he has no prior experience as a fund manager. We are maintaining our *Sell* rating on Mid Cap Growth.

Tobias Welo has been named portfolio manager of **Select Materials**, succeeding Duffy Fischer. Tobias will continue to manage **Industrials**.

Matthew Schuldt has been named portfolio manager of **Chemicals**, also succeeding Duffy Fischer. Matthew joined Fidelity in 2006 as an analyst following specialty chemicals and industrial gas companies.

Richard Manuel has been named sole portfolio manager of **Select Financial Services**, which he has co-managed with Brian Younger since February 2007. Richard will continue to run **Home Finance**, which he has managed since 2006. ■

DIVIDEND UPDATE

In addition to monthly dividends paid by bond and money market funds, Asset Mgr 20% and Freedom Inc, below are funds that are also expected to pay dividends and/or capital gains in February:

Contrafund, Real Estate Inc. and Trend.

The final distributions for January were as follows:

Fund	ex-date	Amt (\$)	NAV
Convertible Sec	1/11	0.02	26.92
Equity-Income II	1/11	0.17	21.64
Growth Company	1/11	0.01	79.36
Independence	1/11	0.51	26.43
New Millennium	1/11	0.08	27.88
Strat Div & Inc	1/11	0.05	11.99

FIXED INCOME

Ginnie Mae Avoids Subprime Impact

This month, we're raising our rating on **Ginnie Mae** from *OK to Sell* to *OK to Buy* (see p 5). Ginnie Mae invests primarily in securities issued by the Government National Mortgage Assn. (GNMA), which are backed by the "full faith and credit" of the U.S. government. Thanks to this superior protection, Ginnie Mae has avoided most of the subprime mortgage mess. In addition, the yield spreads between mortgage securities and Treasuries have widened excessively making Ginnie Maes relatively attractive. While we prefer the equally safe **Inflation Protected Bond** or another Treasury-dominated fund, Ginnie Mae is not a bad bet. ■

Message To Members

If this month's *Eric's Outlook* didn't soothe your nerves, perhaps my recent *Seinfeld*-esque conversation with my mother may help:

How are you doing?

Fine Mom. Kid's are great, Cathy won her tennis match. How's Dad?

Eric, I'm worried about you.

Why?

I'm just worried. Are you feeling okay? Are you eating? Are you sleeping?

Mom, I told you I'm fine, what's the problem? (More prodding...)

Well, with the market down so much, I'm just worried about you.

When Mom gets really concerned, a market bounce can't be far away.

Sincerely,

Eric M. Kobren

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